

Neighborhood Stabilization Program

The Neighborhood Stabilization Program (NSP) will have two components of operation. The first component is Demolition and the second component is Purchase-Rehabilitation.

DEMOLITION

Blighted structures will be demolished. The property may be purchased or left in the property owner's title. If the property has to be purchased as soon as the structure is demolished the property will be titled to Habitat for Humanity or other qualified agencies for future construction of a home. If Habitat cannot accept the property, it will be titled to the Village or Township of location. If the property cannot be purchased demolition will occur without title transfer and remain with the original property owner. Clermont County does not want title to the property other than during the demolition period.

The cost per demolition will be \$60,000.00 per unit maximum. That includes the purchase of the property and the demolition costs. If the property cannot be purchased than it is expected that the demolition cost will be a maximum of \$15,000.00 per unit.

PURCHASE - REHABILITATION

Clermont County NSP will assist the applicant in selecting a house, assist in the down payment, provide homebuyer education, rehab the house and then allow the house to be occupied after final inspections with a turnkey entry.

Only houses that are in the three (3) target areas, Bethel, Part of Amelia, and Part of Eastern Union Township, will be selected. Each of the houses has to be foreclosed and vacant for three (3) months to be chosen. The houses will be appraised and inspected prior to the purchase of the house. Through the inspection process a determination will be made whether the house can be brought to living standards acceptable to the homebuyer, Residential Rehabilitation Standards (November 2008) and the Residential Code of Ohio for One, Two and Three family Dwellings. Choosing from the available houses, the applicant will assist in the selection of the house and will make the final decision with Clermont County's assistance.

If the house can be rehabilitated and does not have any major structural faults, the purchase and down payment assistance will proceed. Clermont County will have the house appraised by an independent HUD approved appraiser to determine the value of the house and property. The applicant can purchase the house up to 1 percent below appraised value. The County will assist by providing down payment assistance. The remainder of the purchase will be by the homeowner through a lending institution. Clermont County will place a second mortgage on the home that is a completely

forgivable after a 5, 10 or 15 year span depending on the amount of the mortgage. This mortgage will include the down payment assistance; the cost of the rehabilitation will be provided by grant monies and are not included in the second mortgage.

After purchase, with the property in the applicant's name, rehabilitation will occur prior to the occupancy of the house. Local contractors will follow a bidding process with the least and the best bid accepted. At the finish of the rehab the property owner will occupy the home that has been brought to established standards.

At and after the purchase the owner will be apprised of activity and rehabilitation of the house. When the rehabilitation is complete the homeowner will accept the rehabilitation in writing. At this point the homeowner will occupy the home.

Applicants will be chosen through an application process that demonstrates their ability to make payments on the mortgage with the lender. Applicants will be eligible with an income less than 120 percent of the Area Median Income (i.e. family of four can have an income of less than \$83,400.00 per year). This is not meant as a low income program because the homeowner has to have the ability to pay the mortgage plus the normal monthly bills, insurance and taxes that occur with the ownership of a home.

The potential owner will be required to have eight (8) hours of homebuyer counseling by a HUD approved homebuyer counseling organization. This counseling will include bill management, future expenses for the home, budgeting, home care, maintenance, financing, and other items of interest.

The NSP is meant to stabilize a neighborhood that is in a spiral of foreclosures and vacancies.

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